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REMARKS

#1 - FOR ACTION, IF ANY APPROPRIATE

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The Travelers Companies
7617 Little River Turnpike
Annandale, VA 22003

Donald H. Dow
Associate Manager
Group Pensions

Washington, D.C. Office

(703) 750-4004

February 18, 1985

Mr. Harry E. Fitzwater
Director of Personnel Policy, Planning & Management
Central Intelligence Agency Retirement System
P. O. Box 1925
Washington, DC 20013

Dear Mr. Fitzwater:

According to the SEI Fund Universe, in 1984, the S&P 500 outperformed three out of four equity managers. Furthermore, over the past five years, the unmanaged S&P 500 beat the median equity manager in three of those five years. As such, it is no surprise that many fund sponsors are investigating the use of index funds and other passive strategies.

In response, The Travelers has developed two types of Index funds for clients use, Separate Account 500 and Separate Account 500 Plus. Both are index funds designed to track the return of the S&P 500 within an annual range of (+ or -) .25%. Separate Account 500 Plus is indexed to the S&P 500 with the additional objective of providing an annual average increment of .75% - 1.5% through an options overwrite strategy managed by TIMCO, a leader in institutional options management. Both funds will provide the unique capability of weekly liquidity and rebalancing along with a competitive fee structure, considerably less than active equity managers.

If you currently index or are considering indexing a portion of your equity portfolio, I hope you will consider one of these products.

Sincerely,

Donald H. Dow
Manager

DHD/cjb

HOME OFFICE
One Tower Square
Hartford, CT 06115